

**From:** "Bruce Steinberger" <bps000@aol.com> on 02/16/2006 10:35:06 AM

**Subject:** Interagency Concentrations in Commercial Real Estate Lending

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Jennifer Johnson

Dear Jennifer Johnson:

This communication is to comment on the Guidance being proposed with respect to commercial real estate lending. Commercial real estate lending is an extremely important part of the economy in Florida and I am concerned of the negative impact of the proposed action.

I understand the need for sound lending and sound loan portfolios. However, a probable outcome of the action would be to simply restrict the availability of credit in our market.

Many community banks in Florida have a concentration in loans secured by real estate due to its role in our economy. The proposed Guidance contains certain thresholds and a list of practices and requirements. I am concerned that the rules of the game will be changed and the consequences severe.

If the Guidance is imposed in a mechanical or arbitrary manner or if it is intended to effect a policy shift discouraging commercial real estate lending then I fear grave consequences. Secured real estate lending has been the bread and butter of banks in Florida. If such loans are not available then will we have to look to other types of credits which historically have been more risky?

Perhaps most important, if the message is perceived to be that commercial real estate lending has great regulatory risk, then such loans will significantly diminish. This will lead to a downturn in our economy that will create systemic problems for banks far beyond the risk of commercial real estate loans.

I thank you for your consideration of these concerns and comments.

Sincerely,

Bruce P. Steinberger